Independent Auditor's Report

To the Members of Verzon Hospitality Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Verzon Hospitality Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Statement of changes in equity, the Cash Flow Statement for the period then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies(Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates

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made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss, the Statement of changes in equity and its cash flows for the year ended on that date.

Other Matters:

The comparative financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated April 20, 2016 and April 20, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

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(e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) The company has disclosed in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with books of account maintained by the company.

For G. D. Apte& Co.
Chartered Accountants
Firm Registration Number: 100515W

U. S. Abhyankar
Partner
Membership No.: 113053
Mumbai, 18th April, 2017

ANNEXURE'A' TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the period ended on March 31, 2017 of Verzon Hospitality Limited)

(i) (a) The Company has maintained proper records showing full particulars, including situation of fixed assets, except quantitative details.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and as per our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) Considering the nature of the business of the company, paragraph 3 (ii) of the Order regarding inventory is not applicable for the year.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, provisions of paragraphs 3 (iii) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has not advanced any loans, made any investments or given any guarantees and security. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) 2014 rules apply.

(vi) According to the information and explanations given to us, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(vii) (a) According to the records of the company, provident Fund, income tax, sales tax, service tax, duty of custom, duty of excise, cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed dues in respect of income tax and service tax and other statutory dues which were

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outstanding, at the year- end for a period of more than six months from the date they become payable.

(b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

(viii) The company has not borrowed any money from any financial institution, bank, Government or debenture holder and accordingly paragraph 3 (viii) of the order is not applicable to the company.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly paragraph 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations furnished by the management, and based on the audit procedures performed by us, we report that no fraud by the Company or on the Company by any of its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations furnished by the management, no managerial remuneration has been paid during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that the transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details as required by the applicable accounting standards have been disclosed in the financial Statements. Since the company is not listed company or a company prescribed within the class of companies under Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, provisions of section 177 of the Act are not applicable to the company.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that the Company has not entered into any non-cash transactions of the nature as described in section 192 of the Act.

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(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co.

Chartered Accountants
Firm Registration Number: 100515W

U. S. Abhyankar
Partner
Membership No.: 113053
Mumbai, 18th April, 2017

ANNEXURE 'B' TO THE AUDITORS' REPORT

(Referred to in paragraph 2 (f) under the heading 'Report on other legal and regulatory requirements' of our report on even date on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")to the members of the Company for the period ended March 31, 2017 of Verzon Hospitality Limited)

To the Members of Verzon Hospitality Limited

We have audited the internal financial controls over financial reporting of Verzon Hospitality Limited ('the Company') as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W

G. D. APTE & CO. ★ Chartered Accountants ★

U. S. Abhyankar
Partner
Membership No.: 113053
Mumbai, 18th April, 2017

Verzon Hospitality Limited
CIN : U55204MH2010PLC198686

Statement of Profit & Loss for the Year Ended 31st March 2017

(₹ in Lakhs)

Particulars	Note no	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Revenue from Operations	2.14	197.60	150.41
Other Income	2.15	-	2.50
Total Income		197.60	152.91
EXPENSES			
Operational Expenses	2.16	28.58	38.40
Administrative Expenses	2.17	48.03	44.48
Finance Cost	2.18	0.05	0.15
Provision for Doubtful Debts		48.97	-
Depreciation and amortization expenses	2.01	340.80	0.12
Total Expenses		466.43	83.14
Profit / (Loss) before tax		(268.83)	69.77
Tax expenses			
(1) Current tax		-	21.47
(2) Deferred tax		0.41	0.16
Profit / (Loss) for the period from continuing operations		(269.25)	48.14
Profit(Loss) from discountinued operations		-	-
Tax expenses of discountinued operations		-	-
Profit(Loss) from discountinued operations (after tax)		-	-
Profit / (Loss) for the period		(269.25)	48.14
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods		-	-
Income Tax effect		-	-
Items that will be reclassified to profit or loss		-	-
Income Tax effect		-	-
Total other Comprehensive Income for the Year, net of tax		-	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(269.25)	48.14

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(₹ in Lakhs)

Particulars	Note no	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Earning per equity share (For continuing operations):			
i) Basic (₹ per share)		(498.10)	89.06
ii) Diluted (₹ per share)		(498.10)	89.06
Earning per equity share (For discontinued operations):			
i) Basic (₹ per share)		-	-
ii) Diluted (₹ per share)		-	-
Earning per equity share (For discontinued & continuing operations):			
i) Basic (₹ per share)		(498.10)	89.06
ii) Diluted (₹ per share)		(498.10)	89.06

Significant accounting policies and notes to financial statements form an integral part of the Statement of Profit and Loss.

As per our attached report of even date

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm Registration No. 100515W

G.D. APTE & CO. Chartered Accountants

U. S. Abhyankar
Partner
Membership No. 113053
Place : Mumbai
Date : 18th April 2017

For and on behalf of the Board of Directors

Vinayak Jadhav
Director
DIN : 02312072

Sharad Naik
Director
DIN : 07511077

Rajesh Kankani
Director
DIN : 07536753
Place : Mumbai
Date : 18th April 2017

Verzon Hospitality Limited
CIN : U55204MH2010PLC198686

Cash Flow Statement for the Year Ended 31st March 2017

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
- Net profit / (loss) before tax and Exceptional items	(268.83)	69.77
Adjustment for :		
Add:		
- Depreciation	340.80	0.12
- Interest	0.05	0.15
- Provision for Doubtful Debts	48.97	-
Operating Cash Flow before working Capital changes	**120.99**	**70.04**
Changes in Working Capital		
- (Increase) / Decrease in Trade Receivables	(80.26)	(64.25)
- (Increase) / Decrease in Other Current Assets	14.69	(23.01)
- (Increase) / Decrease in Other Financial Assets	7.69	(7.69)
- Increase / (Decrease) in Trade Payables	(23.76)	23.21
- Increase / (Decrease) in Other Financial Liabilities	(0.05)	35.30
- Increase / (Decrease) in Other Current Liabilities	(11.93)	2.85
CASH GENERATED FROM OPERATING ACTIVITIES	**27.37**	**36.45**
Taxes Paid	(9.11)	(21.47)
NET CASH FLOW FROM OPERATING ACTIVITIES	**18.25**	**14.98**
B. CASH FLOW FROM INVESTING ACTIVITIES		
- (Increase)/Decrease in Capital Advances	38.00	-
- Increase/(Decrease) in Creditors for Capital Expenditure	1,983.79	-
- (Purchase)of fixed assets/Capital Work In Progress	(2,061.22)	-
NET CASH FLOW FROM INVESTING ACTIVITIES	**(39.43)**	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH FLOW FROM FINANCING ACTIVITIES	-	-

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(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Increase / (Decrease) in cash and cash equivalents	(21.17)	14.98
Cash and cash equivalents at beginning of the year	22.76	7.78
Cash and cash equivalents at end of the year	**1.58**	**22.76**

Notes :

i) Details of Cash and bank balances are given in note No. 2.05

ii) The above Cash Flow statement has been prepared under the indirect method set out in Ind AS 7, 'Statement of Cash Flows' specified under section 133 of the Act read with rule 4 of the Companies (Indian Accounting Standard) Rules, 2015 and rule 4 of Companies (India Accounting Standard) Amendment Rules, 2016.

iii) Direct Tax paid is treated as arising from operating activities and is not bifurcated into investing and financing activities.

iv) All figures in brackets indicate outflow.

As per our attached report of even date

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm Registration No. 100515W

G. D. APTE & CO. ★ Chartered Accountants ★

U. S. Abhyankar
Partner
Membership No. 113053

Place : Mumbai
Date : 18th April 2017

For and on behalf of the Board of Directors

Vinayak Jadhav
Director
DIN.02312072

Sharad Naik
Director
DIN : 07511077

Rajesh Kankani
Director
DIN. 07536753

Place : Mumbai
Date : 18th April 2017

Note No.1: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT 31ST March 2017

A Company Overview

Verzon Hospitality Limited ('the company') is a public limited company incorporated and domiciled in India and is engaged in the business of Hostel at Lavasa, India. The company was incorporated on 18th January, 2010 and has its registered office in Mumbai, India. The company operates as a subsidiary of Lavasa Corporation Limited.

B SIGNIFICANT ACCOUNTING POLICIES:

1 Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis, the provisions of the Companies Act, 2013 (to the extent notified), the Ind AS prescribed under under section 133 of the Act read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (India Accounting Standards) Amendment Rules 2016.

The Company has adopted all Ind AS and adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

2 Statement of Compliance

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Cash Flow Statement, together with significant accounting policies and notes for the year ended March 31, 2017 have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

4 Functional and Presentation Currency

Items included in financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency").

Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) which is the Company's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest lakhs except where otherwise indicated.

5 First-time adoption of Ind AS

The financial statements for the year ended March 31, 2017 are the first financial statements prepared by the Company in accordance with Ind AS.

For the periods up to and inclusive of the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards specified in section 133 of Companies Act 2013 read together with rule 7 of Companies (Accounting Standards) Rules 2014 (Previous GAAP). Reconciliation and description of the effect of transition from previous GAAP to Ind AS on equity , Profit and cash flows are provided in Note 2.27, 2.28, 2.29 & 2.30. The Balance Sheet as on the date of transition has been prepared in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards.

Ind AS 101 requires that all Ind AS for the first Ind AS Financial Statements, be applied consistently and retrospectively for all fiscal years presented. However this standard provides some exceptions and exemptions to this general requirement in specific cases. The application of these exceptions and exemptions are as discussed below:

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6(a) Exceptions to retrospective application of other Ind AS

i. Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates made in accordance with Previous GAAP.

ii. Ind AS 109 – Financial Instruments (Classification and measurement of financial assets) :
Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.

iii. Ind AS 109 - Financial Instruments (Impairment of Financial Assets)
Impairment requirements under Ind AS 109 should be applied retrospectively, based on reasonable and supportable information that is available on the transition date without undue cost or effort. The Company has applied impairment requirements retrospectively.

6(b) Exemptions from retrospective application of Ind AS

i. Ind AS 16 Property, Plant and Equipment/ Ind AS 38 Intangible assets :
An entity may elect to measure an item of property, plant and equipment and Intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of Property, Plant and Equipment, Intangibles by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost. The Company has elected to continue with the carrying amount for all of its property, Plant and equipment, Intangible assets measured as per previous GAAP and use that as its deemed cost as at the date of transition.

ii. Ind AS 17 Leases :
An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes both land and building elements, an entity shall assess the classification of each element as finance or operating lease. The Company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

7 Use of Estimates

The preparations of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities, at the time of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are :
i. Valuation of financial instruments
ii. Useful lives of property, plant and equipment
iii. Lease classification
iv. Provisions
v. Utilisation of Tax Losses

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8 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The cost of self constructed assets includes the cost of materials, direct labour, and any other cost directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

9 Depreciation and Amortization

Depreciation on tangible assets is provided on reducing balance method over the estimated useful lives of the assets on pro-rata basis. The estimated useful lives are as below,

Leasehold Building : 60 years
Plant & Machinery : 20 years
For the above classes of assets, based on internal assessment, Management believes that the useful life as given above represents the period over which it expects to use these assets. Hence the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of Companies Act, 2013.

10 Impairment

The Company makes assessment of any indicator that may lead to impairment of the Assets on an annual basis. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and the value in use. Impairment loss, if any, is charged to profit and loss account in the year in which it is identified as impaired.

11 Financial Instruments

a. Financial Assets

Financial assets comprises of trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at fair value plus in case of financial assets not are recorded fair value through profit or loss, transaction cost are attributable to the acquisition of financial assets purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

Subsequent measurement:

i. Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortisation is recognised as finance income in Statement of Profit and Loss.

The Company, while applying above criteria, has classified the following at Amortised cost:
a) Trade receivables
b) Other Financial Assets

ii. Financial assets at Fair Value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in Other Comprehensive Income.

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iii. **Financial assets measured at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through Other Comprehensive Income. All fair value changes are recognised in the Statement of Profit and Loss.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in the Statement of Profit and Loss.

Impairment of financial assets

Trade receivables, contract assets under Ind AS 109 are tested for impairment based on the expected credit losses for respective financial asset.

I. Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecast of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

II. Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is a significant increase in credit risk.

b. Financial liabilities

Initial Recognition and Measurement:

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent Measurement:

The financial liabilities are classified for subsequent measurement into following categories-

- At amortised cost
- At fair value through profit or loss

i. **Financial liabilities at amortised cost**

The Company classifies the following under amortised cost:

a) Trade payables

b) Other financial liabilities

Amortised cost for financial liabilities represents the amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

ii. **Financial liabilities at fair value through profit or loss**

Financial liabilities held for trading are measured at FVTPL.

Derecognition of financial liabilities

A financial liability shall be derecognised when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

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c. **Offsetting of financial assets and financial liabilities -**
Financial assets and liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

d. **Reclassification of Financial Assets –**
The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets or liabilities that are specifically designated at FVTPL. For Financial Assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the company's operations. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

12 Taxes on Income

The tax expense comprises of current tax & deferred tax charged or credited to the Statement of Profit and Loss for the year. Income tax expense is recognized in profit and loss except to th extent that it relates to items of equity and other comperehensive income. Current tax is calculated in accordance with the tax laws applicable to the current financial year using tax rates enacted or substantively enacted on the reporting date. Deferred tax is recognised using balance sheet method providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. At each balance sheet date, recognised and unrecognised deferred tax assets are reviewed.

13 Revenue Recognition
Revenue from rent is recognized on time proportionate basis.

14 Borrowing Costs
Borrowing costs (less any income on the temporary investments of those borrowings) attributable to qualifying assets are capitalised. Other borrowing costs are charged to profit and Loss account.

15 Contingencies / Provisions

A provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Contingent liabilities are disclosed in Financial Statements. Contingent assets are not recognized and are disclosed where an inflow of economic benefits is probable.

16 Earnings Per Share
Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit & loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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17 Foreign Currency Transactions

Foreign currency transactions during the year are accounted at the prevailing rate on the date of transaction. Current assets and current liabilities are translated at the exchange rate prevailing on the last day of the year. Gains or losses arising out of remittance/ translations at the year end are credited/ debited to the profit and loss account for the year.

18 Leases:

Where the Company is the lessee and the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss account on a straight-line basis over the lease term.

19 Segmental Reporting

The Company's operation is considered under one segment "Hostel" for internal reporting. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

C Recent accounting pronouncements

1 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April 2017.

2 Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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Verzon Hospitality Limited
CIN : U55204MH2010PLC198686

Statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

(₹ in lakhs)

Balance at April 01, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
5.41	-	5.41	-	5.41

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus		Other items of Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings		
Balance as on 1st April 2015	40.13	37.66	-	77.80
Profit (Loss) for the year	-	48.14	-	48.14
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	48.14	-	48.14
Balance as on 31st March 2016	40.13	85.80	-	125.94
Profit (Loss) for the year	-	(269.25)	-	(269.25)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	(269.25)	-	(269.25)
Balance at the end of 31st March 2017	40.13	(183.44)	-	(143.31)

Significant accounting policies and notes to financial statements form an intergal part of the Statement of Changes in Equity.

As per our attached report of even date

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm Registration No. 100515W

G. D. APTE & CO. Chartered Accountants

U. S. Abhyankar
Partner
Membership No. 113053

Place : Mumbai
Date : 18th April 2017

For and on behalf of the Board of Directors

Vinayak Jadhav
Director
DIN: 02312072

Sharad Naik
Director
DIN : 07511077

Rajesh Kankani
Director
DIN. 07536753

Place : Mumbai
Date : 18th April 2017

Notes to and forming part of the financial statements as at and for the year ended 31st March 2017

2.01 Non Current Assets

Property, Plant and Equipment

(₹ in lakhs)

Particulars	Tangible Assets		Total
	Leasehold Building	Plant & Machinery	
Gross Carrying Value as at 1st April 2015	-	0.98	0.98
Additions	-	-	-
Deductions/ disposals	-	-	-
Gross Carrying Value as at 31st March 2016	-	0.98	0.98
Additions	2,061.22	-	2,061.22
Deductions/ disposals	-	-	-
Gross Carrying Value as at 31st March 2017	**2,061.22**	**0.98**	**2,062.20**
Accumulated Depreciation as at 1st April 2015	-	0.14	0.14
Depreciation/ amortisation charge for the period	-	0.12	0.12
Accumulated depreciation/ amortisation on disposals	-	-	-
Accumulated Depreciation as at 31st March 2016	-	0.26	0.26
Depreciation/ amortisation charge for the period	340.70	0.10	340.80
Accumulated depreciation/ amortisation on disposals	-	-	-
Accumulated Depreciation as at 31st March 2017	**340.70**	**0.36**	**341.06**
Net Carrying Value			
31st March, 2017	1,720.51	0.62	1,721.13
31st March, 2016	-	0.72	0.72
1st April, 2015	-	0.83	0.83

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(₹ in Lakhs)

		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
2.02	**Deferred Tax Asset (Net)**			
A	**Deferred Tax Assets**			
	Property, Plant and Equipment	-	0.38	0.45
	Others	-	0.03	0.12
	Total	-	0.41	0.57
B	**Deferred Tax Liabilities**			
	Intangible assets	-	-	-
	Finance lease obligation	-	-	-
	Total	-	-	-
	Net Deferred Tax Assets (A-B)	-	0.41	0.57
2.03	**Long-term loans and advances**			
	Capital Advances	-	38.00	38.00
		-	38.00	38.00
2.04	**Trade Receivables****			
	Unsecured			
	Outstanding for a period exceeding six months from due date			
	- Considered good	181.50	213.86	115.48
	- Considered doubtful	48.97	-	-
	Outstanding for a period less than six months from due date	74.30	10.66	44.78
		304.78	224.52	160.26
	Less : - Provision for doubtful debts	(48.97)	-	-
		255.81	224.52	160.26

**No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
2.05	**Cash and Cash equivalents**			
	(a) Balances with Banks - on current accounts	1.49	22.52	7.53
	(b) Cash on Hand	0.09	0.23	0.25
		1.58	22.76	7.78
2.06	**Other Financial assets**			
	Other Amounts Recoverable	-	7.69	-
		-	7.69	-
2.07	**Current Tax Assets (Net)**			
	Advance Payment of Taxes	9.11	-	-
	(Net of Provision for Income tax Rs. 38.92 lakhs (previous year Rs. 38.92 lakhs)			
		9.11	-	-
	Current Tax Liabilities (Net)			
	Provision for Income Tax	-	11.62	7.19
	(Net of Advance Payment of Taxes)			
		-	11.62	7.19

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Notes to and forming part of the financial statements as at and for the year ended 31st March 2017

(₹ in Lakhs)

		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
2.08	**Other Current Assets**			
	Advances to Staff	-	0.20	-
	Advances to Suppliers	7.54	23.05	-
	Other Amounts Recoverable	1.06	0.04	0.28
		8.60	23.29	0.28
2.10	**Other Equity**			
i.	**Reserves and Surplus**			
	(a) Securities Premium Reserve			
	Opening Balance	40.13	40.13	40.13
	Add : Addition during the year	-	-	-
	Closing Balance	40.13	40.13	40.13
	(b) Surplus/ (Deficit) as per the Statement of Profit & Loss			
	Opening Balance	85.80	37.66	0.01
	Add: Profit/ (Loss) for the year	(269.25)	48.14	37.65
	Net Surplus/(deficit)	(183.44)	85.80	37.66
ii.	**Other components of Equity**			
	Opening Balance	-	-	-
	Add: Additions during the year	-	-	-
	Clsoing Balance	-	-	-
	Total	(143.31)	125.94	77.80
	Current liabilities			
	Financial Liabilities			
2.11	**Trade Payables (current)**			
	Payables for purchase of goods and services			
	- to Related Parties	88.98	109.28	97.85
	- to Others	11.37	13.33	12.21
	Other payables			
	- to Related Parties	-	1.23	1.76
	- to Others	14.14	14.40	3.20
		114.48	138.24	115.03
2.12	**Other Financial Liabilities (Current)**			
	(a) Deposits	35.45	35.45	-
	(b) Other Payables - Creditors for Capital Expenditure	1,983.79	-	-
		2,019.25	35.45	-
2.13	**Other Current Liabilities**			
	(a) Other Payables			
	(i) Statutory dues payable	0.41	0.72	2.31
		0.41	0.72	2.31

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(₹ in Lakhs)

		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
2.09	**Share Capital**			
A)	Authorised			
	2,00,000 (Previous Year 2,00,000) Equity Shares of Rs. 10/- each	20.00	20.00	20.00
		20.00	20.00	20.00
	ISSUED **Equity Share Capital** 54,054 Equity Shares (Previous year 54,054) of Rs.10/- each fully paid up	5.41	5.41	5.41
		5.41	**5.41**	**5.41**
	SUBSCRIBED AND PAID UP **Equity Share Capital** 54,054 Equity Shares (Previous year 54,054) of Rs.10/- each fully paid up	5.41	5.41	5.41
		5.41	**5.41**	**5.41**

B) **Reconciliation of shares outstanding at the beginning and at the end of the period**

Equity Shares	As at March 31st, 2017		As at March 31st, 2016		As at April 1st, 2015	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
At the beginning of the year	54,054	5.41	54,054	5.41	54,054	5.41
Shares issued during the year for cash	-	-	-	-	-	-
Shares issued during the year pursuant to conversion of CCPS	-	-	-	-	-	-
At the end of the year	54,054	5.41	54,054	5.41	54,054	5.41

C) **Details of shareholders holding more than 5% of shares of the Company and shares held by holding & ultimate holding Company.**

	As at March 31st, 2017		As at March 31st, 2016		As at April 1st, 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity Shares of ₹ 10 each fully paid						
Lavasa Corporation Limited-Holding company	54,054	100.00%	54,054	100.00%	54,054	100.00%

D) **Details of Allotment of Shares for consideration other than cash, allotments of Bonus Shares and Shares bought back:**

Particulars	Financial Year (Aggregate No. of Shares)				
	2016-17	2015-16	2014-15	2013-14	2012-13
Equity Shares :					
Fully paid up by way of bonus shares	-	-	-	-	-
Allotted pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Shares Bought Back	-	-	-	-	-

E) **Rights & restriction attached to equity shareholders**

The Company has only one class of equity shares having face value as ₹ 10/- each. Every holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. Any dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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Notes to and forming part of the financial statements as at and for the year ended 31st March 2017

(₹ in Lakhs)

		For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
2.14	**Revenue from Operations**		
	Revenue from operations	197.60	150.41
		197.60	150.41
2.15	**Other Income**		
	Miscellaneous Income	-	2.50
		-	2.50
2.16	**Operational Expenses**		
	Electricity Charges	12.52	10.21
	Water Supply Charges	2.38	2.73
	General Expenses	2.46	1.62
	Maintenance Expenses	11.23	23.84
		28.58	38.40
2.17	**Administrative Expenses**		
	Office & Other General Expenses	22.15	18.25
	Housekeeping Charges	15.40	12.99
	Professional & Consultation Charges	2.33	0.49
	Insurance	0.26	0.47
	Other borrowing cost	(0.00)	0.01
	Rent	0.31	-
	Rates & Taxes	0.85	0.82
	Repairs & Maintenance	6.03	10.98
	Payment to Auditor		
	for Statutory Audit	0.69	0.46
		48.03	44.48
2.18	**Finance Cost**		
	Interest on Micro, Small & Medium Enterprises	0.05	0.15
		0.05	0.15

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Notes to and forming part of the financial statements as at and for the year ended 31st March, 2017

2.19 Contingent Liabilities

a)

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016
Contingent Liabilities	-	-

b) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)- 4906.70Lacs. (Previous year 6991.63 Lacs).

2.20 Related Party Disclosure

i) Particulars of Related Parties, which control or are under common control with the Company :

A) Holding Company & Ultimate Holding Company
Hindustan Construction Company Limited (HCC) - Ultimate Holding Company
HCC Real Estate Limited (HREL)- Parent Company of Holding Company
Lavasa Corporation Limited- Holding Company
B) Fellow Subsidiaries
Dasve Business Hotel Limited
Dasve Hospitality Institutes Limited
Dasve Retail Limited
Dasve Convention Center Limited
Full Spectrum Adventure Limited
Future City Multiservices Sez Limited
Hill City Service Apartments Limited
Lakeshore Watersports Company Limited
Kart Racers Limited
Lakeview Clubs Limited
Lavasa Bamboocrafts Limited
Lavasa Hotel Limited
Mugaon Luxury Hotels Limited
Nature Lovers Retail Limited
Hill View Parking Services Limited
Our Home Service Apartments Limited
Reasonable Housing Limited
Rhapsody Commercial Space Limited
Rosebay Hotels Limited
Sahyadri City Management Limited
Valley View Entertainment Limited
Warasgaon Assets Maintenance Limited
Warasgaon Infrastructure Providers Limited
Warasgaon Power Supply Limited
My City Technology Limited
Warasgaon Tourism Limited
Warasgaon Valley Hotels Limited
C) Subsidiaries of Ultimate Holding Company
D) Other Related Parties
Associates:
Knowledge Vistas Limited
Joint Ventures:
Andromeda Hotels Limited
Green Hills Residences Limited
Spotless Laundry Services Limited
Whistling Thrush Facilities Services Limited
Ecomotel Hotel Limited
Starlit Resort Limited
Bona Sera Hotels Limited
Apollo Lavasa Health Corporation Limited

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ii) Transactions with Related Parties during the period :

(₹ In Lacs)

Nature of Transactions	Parent Company		Fellow Subsidiaries		Other Related Parties	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Project and Other Services Received						
Lavasa Corporation Limited	0.32	0.47	-	-	-	-
Sahyadri City Management Limited	-	-	32.15	30.90	-	-
Whistling Thrush Facilities Services Limited	-	-	-	-	-	3.60
Spotless Laundry Services Limited	-	-	-	-	0.15	0.73
Ecomotel Hotel Limited	-	-	-	-	0.15	0.04
Income for Services Rendered						
Lavasa Hotel Limited	-	-	13.97	7.69	-	-
Warasgaon Tourism Limited	-	-	-	2.50	-	-
Dasve Hospitality Limited	-	-	-	5.35	-	-
Included in Trade Receivables						
Lavasa Hotel Limited	-	-	19.49	(0.77)	-	-
Dasve Hospitality Institutes Limited	-	-	103.02	103.02	-	-
Green Hills Residence Limited	-	-	-	-	20.55	20.55
Warasgaon Tourism Limited	-	-	-	2.25	-	-
Dasve Convention Center Limited	-	-	42.42	42.42	-	-
Included in Trade Payables						
Lavasa Corporation Limited	1,983.79	-	-	-	-	-
Sahyadri City Management Limited	-	-	40.47	54.79	-	-
Whistling Thrush Facilities Services Limited	-	-	-	5.99	-	-
Green Hills Residence Limited	-	-	-	-	48.50	48.50
Capital Advance given and outstanding						
Lavasa Corporation Limited	-	-	-	49.00	-	-
Equity Share Capital Outstanding at face value						
Lavasa Corporation Limited	5.41	5.41	-	-	-	-

2.21 Earnings Per Share:

(₹ In Lacs)

Particulars	31st March 2017	31st March 2016
Profit/(Loss) after taxation as per statement of profit and loss (₹ in Lacs)	(269.25)	48.14
Less: Preference Dividend on cumulative preference shares incl distribution tax	-	-
Net Profit / (Loss) after preference dividend	(269.25)	48.14
Weighted Average number of Equity Shares (for Basic EPS)	54,054	54,054
Earning Per Share (Basic) (in Rupees)	(498.10)	89.06
Weighted Average number of Equity Shares (for Diluted EPS)	54,054	54,054
Earning Per Share (Diluted) (in Rupees)	(498.10)	89.06

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2.22 **Financial Instruments By Category**

The carrying value and the fair value of financial instruments by each category as at March 31, 2017 :

(₹ In Lacs)

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Trade receivables	255.81	-	-	255.81	255.81
Cash and Cash Equivalents	1.58	-	-	1.58	1.58
Other Financial Assets	-	-	-	-	-
Liabilities					
Trade Payables	114.48	-	-	114.48	114.48
Other Financial Liabilities	2,019.25	-	-	2,019.25	2,019.25

The carrying value and the fair value of financial instruments by each category as at March 31, 2016:

(₹ In Lacs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Trade receivables	224.52	-	-	224.52	224.52
Cash and Cash Equivalents	22.76	-	-	22.76	22.76
Other Financial Assets	7.69	-	-	7.69	7.69
Liabilities					
Trade Payables	138.24			138.24	138.24
Other Financial Liabilities	35.45	-	-	35.45	35.45

2.23 **Interest Income / (Expenses), Gains / (Losses) recognized on financial assets and liabilities**

(₹ In Lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Financial Assets at amortised cost		
Provision for Doubtful Debts	48.97	-
Total	48.97	-

2.24 **Exposure to credit risk**

The Gross carrying amount of financial assets, net of any impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2016 and 2015 was as follows:

(₹ In Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Receivables (Net)	255.81	224.52
Cash and Cash Equivalents and other bank balances	1.58	22.76
Other Financial Assets	-	7.69
Total	**257.39**	**254.96**

2.25 **Financial assets that are past due but not impaired:**

There is no other class of financial assets that is past due but not impaired other than trade receivables. The age analysis of trade receivables have been considered from the date of invoice. The ageing of trade receivables , net of allowances, that are past due, is given below:

(₹ In Lacs)

Period (in days)	As at March 31, 2017	As at March 31, 2016
0 - 30 days past due	10.57	10.61
31 days - 1 year past due	116.21	53.64
1 - 2 years past due	22.63	82.72
2 - 3 years past due	106.40	77.54
Moe than 3 years past due	-	-
	255.81	224.52

Financial assets that are neither past due nor impaired

(₹ In Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash Equivalents and other bank balances	1.58	22.76
Other Financial Assets	-	7.69

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2.26 **Liquidity Risks**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by
Maturity Analysis of financial instruments

As At March 31, 2017

(₹ In Lacs)

Particulars	Carrying amount	Contractual Cash flows				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Trade payables	114.48	114.48	-	-	-	114.48
Other Financial Liabilities	2,019.25	2,019.25	-	-	-	2,019.25

As At March 31, 2016

(₹ In Lacs)

Particulars	Carrying amount	Contractual Cash flows				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Trade payables	138.24	138.24	-	-	-	138.24
Other Financial Liabilities	35.45	35.45	-	-	-	35.45

2.27 **Reconciliation of Equity from Previous GAAP to Ind AS as at April 1, 2015 and March 31, 2016**

(₹ In Lacs)

Particulars	As at April 1, 2015	As at March 31, 2016
Equity as per Previous GAAP	83.20	131.34
Ind AS Adjustments		
Provision for doubtful debts	-	-
Equity as per Ind AS	83.20	131.34

2.28 **Reconciliation of material items of Balance Sheet as per IND AS with Previous GAAP As at April 1, 2015**

(₹ In Lacs)

Particulars	As per IND AS	As per previous GAAP	Increase/ (Decrease)
Assets			
Property, Plant and Equipment	0.83	0.83	0.00
Deferred Tax Asset (Net)	0.57	0.57	0.00
Other Non-Current Assets	38.00	38.00	-
Trade Receivables	160.26	160.26	0.00
Cash and Cash equivalents	7.78	7.78	(0.00)
Other Financial assets	-	-	-
Current tax assets (net)	-	-	-
Other current assets	0.28	0.28	(0.00)
Liabilities			
Equity Share capital	5.41	5.41	(0.00)
Other Equity	77.80	77.80	(0.00)
Trade payables	115.03	115.03	(0.00)
Other financial liabilities	-	-	-
Other current liabilities	2.31	2.31	(0.00)
Current tax liabilities (net)	7.19	7.19	(0.00)

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Reconciliation of material items of Balance Sheet as per IND AS with Previous GAAP As at March 31, 2016

(₹ In Lacs)

Particulars	As per IND AS	As per previous GAAP	Increase/ (Decrease)
Assets			
Property, Plant and Equipment	0.72	0.72	(0.00)
Deferred Tax Asset (Net)	0.41	0.41	0.00
Other Non-Current Assets	38.00	38.00	-
Trade Receivables	224.52	224.52	(0.00)
Cash and Cash equivalents	22.76	22.76	(0.00)
Other Financial assets	7.69	7.69	(0.00)
Current tax assets (net)	-		-
Other current assets	23.29	23.29	(0.00)
Liabilities			
Equity Share capital	5.41	5.41	(0.00)
Other Equity	125.94	125.94	(0.00)
Trade payables	138.24	138.24	(0.00)
Other financial liabilities	35.45	35.45	0.00
Other current liabilities	0.72	0.72	0.00
Current tax liabilities (net)	11.62	11.62	0.00

2.29 Reconciliation of Net profit from Previous GAAP to Ind AS for the year ended March 31, 2016

(₹ in Lakhs)

Particulars	For the year ended March 31, 2016
Net profit as per Previous GAAP	48.14
Add/(Less): Ind AS Adjustments	-
Net profit as per Ind AS	48.14

2.30 Reconciliation of material items of Statement of Cashflows for the year ended March 31, 2016 as per IND AS with Previous GAAP As at March 31, 2016

(₹ In Lacs)

Particulars	As per IND AS	As per previous GAAP	Increase/ (Decrease)
Cash generated from operations	14.98	(20.47)	35.45
Net cash used in investing activities	-	-	0.00
Net cash used in financing activities	-	(0.15)	0.15
Cash and cash equivalents at the beginning of the year	7.78	7.78	0.00
Cash and cash equivalents at the end of the year	22.76	22.76	0.00

2.31 DEFERRED TAX ASSETS AND LIABILITIES

1 Movement in temporary differences during current and previous year

(₹ In Lacs)

Particulars	Property, Plant & equipment	Other
Balance as at April 1, 2015	0.45	0.12
Recognised in income statement	(0.07)	(0.09)
Balance as at March 31, 2016	0.38	0.03
Recognised in income statement	(0.38)	(0.03)
Balance as at March 31, 2017	-	-

2

Unrecognised Deferred Tax Asset	As at 31st March 2017	As at 31st March 2016
Unrecognised deferred tax asset		
Deductible temporary differences	41.92	-
Unrecognised tax losses	34.27	-
	76.19	-

Considering the probability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognized in respect of tax losses carried forward by the Company. Of the above, some tax losses expire at various dates.

3

Income Tax Expenses recognised in P&L	As at March 2017	As at March 2016
Current tax expenses /(Reversal)	-	-
Deferred Tax expense	(0.41)	(0.16)
Origination and reversal of Temporary difference	-	-
Reversal of previously recognised losses	-	-
	(0.41)	(0.16)

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2.32 Trade Receivables

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due, the rates as given in the provision matrix and qualitative management review on case to case basis. The provision matrix at the end of the reporting period is as follows:

(₹ In Lacs)

Age of Receivables	Expected Credit loss %
0 - 30 days past due	-
31 days - 1 year past due	-
1 - 2 years past due	-
2 - 3 years past due	-
More than 3 years past due	100.00

Age of Receivables	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
0 - 30 days past due	10.57	10.61	11.76
31 days - 1 year past due	116.21	53.64	70.96
1 - 2 years past due	22.63	82.72	77.54
2 - 3 years past due	106.40	77.54	-
More than 3 years past due	-	-	-
Total	255.81	224.52	160.26

Movement in Expected Credit loss allowance	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	48.97	-
Balance at the end of the year	48.97	-

2.33 Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

As per requirement of Section 22 Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Principal amount remaining unpaid to any supplier as at the end of each accounting year.	3.97	2.39
Interest due on (i) above remaining unpaid	0.05	0.15
Amounts paid beyond the appointed day during the accounting year	Nil	Nil
Interest paid on (iii) above	Nil	Nil
Interest due and payable on (iii) above	Nil	Nil
Interest accrued and remaining unpaid at the end of the accounting year	0.05	0.15
Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.		

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2.34 Disclosures as per Notification GSR 308(E) dated March 30, 2017 of Ministry of Corporate Affairs in respect of details of Specified bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016:

(Amount in ₹)

Particulars	SBNs	Other Denominatin Notes	Total
Closing cash in hand as on 08.11.2016	7,500.00	495.00	7,995.00
(+) Permitted receipts	-	10,000.00	10,000.00
(-) Permitted Payments	-	2,400.00	2,400.00
(-) Amount deposited in Banks	7,500.00	-	7,500.00
Closing cash in hand as on 30.12.2016	-	8,095.00	8,095.00

2.35 The Company has commenced hostel operations in partially completed premises. Capitalization of the building is pending for balance construction completion and handover by the developer.

2.36 Previous year's figures have been regrouped/recasted where necessary.

As per our attached Report of even date

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm Registration No. 100515W

G. D. APTE & CO. ★ Chartered Accountants ★

U. S. Abhyankar
Partner
Membership No. 113053

Place : Mumbai
Date : 18th April 2017

For and on behalf of Board of Directors

Vinayak Jadhav
Director
DIN: 02312072

Sharad Naik
Director
DIN : 07511077

Rajesh Kankani
Director
DIN. 07536753

Place : Mumbai
Date : 18th April 2017